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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference

Letter dated 4 June 2009 from the Permanent Representative of the Syrian Arab Republic to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a document in Arabic and English containing the Damascus Declaration on responding to the International Financial Crisis in the ESCWA Region. The Damascus Declaration was adopted at the end of the Regional High-Level Consultative Forum on the Impacts of the International Financial Crisis on the ESCWA Member Countries: the Way Forward, which was held in Damascus from 5 to 7 May 2009. The Forum was co-organized by the Economic and Social Commission for Western Asia (ESCWA), the International Labour Organization and the Syrian Government.

The Damascus Declaration supports the forthcoming United Nations Conference on the World Financial and Economic Crisis and its Impact on Development, which will be held in New York from 24 to 26 June 2009. Due to the importance of the Damascus Declaration being among the background documents of the forthcoming Conference, I should appreciate it if you would circulate the present letter and its annex as a document of the General Assembly under agenda item number 48.

(*Signed*) Bashar **Ja'afari**
Ambassador
Permanent Representative

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Annex to the letter dated 4 June 2009 from the Permanent Representative of the Syrian Arab Republic to the United Nations addressed to the Secretary-General

[Original: Arabic and English]

Damascus Declaration on responding to the International Financial Crisis in the ESCWA Region 7th May 2009

The Regional High-Level Consultative Forum on the Impacts of the International Financial Crisis on the ESCWA Member Countries: the Way Forward, held in Damascus on 5-7 May 2009 (the "Forum"),

Having discussed the impact of the International Financial and Economic Crisis (the "Crisis") on the ESCWA member countries,

Having also debated the national, regional and international responses to the Crisis and exchanged views and experiences of experts, representatives of ESCWA member countries, regional and international organizations,

The Forum hereby adopts this declaration.

A. The Forum requests the ESCWA member countries to undertake the following steps, activities, policies and/or strategies to respond more effectively to the Crisis,

1- Take active measures to offset the repercussions of the Crisis on their real economies and in particular to mitigate its impacts on economic growth, development and employment. These measures will generally differ from one country to another depending on whether it is oil exporting, having more diversified economy, least developing or under occupation.

2- Adopt sustainable expansionary fiscal policy to boost domestic demand and shorten the period of low economic growth. Fiscal stimuli in ESCWA member countries should meet key development goals and be coordinated and implemented in cooperation with the private sector and the civil society. The policy should be primarily targeted towards infrastructure, agriculture, industry, health, education, environment and social protection mechanisms.

3- Take measures to ensure more cooperation with and support to the private sector, particularly in the real economy with a special focus on small and medium enterprises (SMEs) and in the banking sector in those member countries facing capital reversals and liquidity crises.

4- Encourage the existing national, regional and international funds to provide liquidity to those member countries facing liquidity crises. The region needs these funds to strengthen the response to the Crisis with measures that provide long term financing for low and medium income countries in the region to enable them to meet the Millennium Development Goals (MDGs).

5- Enhance the efficiency of their regulatory frameworks in the financial sector to better serve the real economy.

6- Promote greater regional integration, particularly in monetary and financial affairs, and coordinate their stimulus policies in order to improve their effectiveness in responding to the Crisis.

7- Encourage ESCWA's Sovereign Wealth Funds to increase their investment in the real economy in the region particularly in those member countries with comparative advantage in agriculture and industry.

8- Pursue diversification vigorously to reduce heavy dependency on oil sector, by diversifying exports, investing in technology and infrastructure, thus expanding employment opportunities.

9- Facilitate intra-regional flows of trade in goods and services, people and capital among ESCWA member countries to enhance their regional integration.

10- Promote South-South cooperation as part of the promotion of economic and technical cooperation among developing countries.

11- Strengthen employment and social protection policies in the interest of ensuring decent work for all, including employment services, active labour market policies, unemployment insurance, sustainable and adequate pension policies, and complementary cash transfer programmes.

12- Support the forthcoming UN Conference on the World Financial and Economic Crisis and its Impact on Development, including the architecture of the international financial system, which will be held in New York from 24 to 26 June 2009. This support can be accomplished by providing inputs related to the needs of the region, and participating actively in the Conference at the highest level.

13- Take proactive steps towards ensuring a more active participation of developing countries, including ESCWA member countries, in managing the global economy. The current Crisis has proved the need for reform, particularly a more representative, legitimate and hence effective management of the global economy, and that this cannot be achieved without the active participation of developing countries in global economic decision making mechanisms.

B. The Forum supports ESCWA's activities and requests the Secretariat to undertake the following steps, activities, policies and/or strategies to assist member countries to respond more effectively to the Crisis:

14- Strengthen and enhance ESCWA's active role in representing the particular needs of the region in coping with the Crisis as well as in the deliberations of the Commission of Experts of the President of the UN General Assembly on Reform of the International Monetary and Financial System.

15- Undertake technical cooperation and capacity building activities (e.g., seminars, workshops, technical missions, etc.) to assist member countries in achieving national as well as regional coherence in negotiation positions on matters of strategic importance, such as this Crisis, by bringing together the concerned entities within each country (e.g., Ministries of foreign affairs, trade, finance, economy, etc.) in such activities.

16- Play a catalyst role in bringing the member countries together with the concerned Arab and Islamic financial institutions in order to enhance the role of such institutions in solving the problems arising from and/or exacerbated by the Crisis.

17- Submit this declaration to the ESCWA Members and to the President of the UN General Assembly to include it among the background documents of the forthcoming UN Conference on the World Financial and Economic Crisis and its Impact on Development to be held in New York from 24 to 26 June 2009.